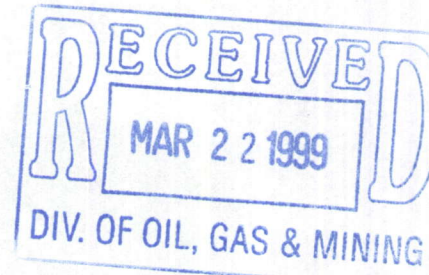


CLIFTON MINING COMPANY

70 West Canyon Crest Rd. Suite D, Alpine UT 84004
Phone: (801) 756-1414 Fax: (801) 756-5454
Field Office: (801) 234-1126

FACSIMILE TRANSMISSION COVER SHEETNAME: Ceryl MartinezCOMPANY: BLMDATE: 10/20/97 @ 11:55 amFAX NUMBER: 1-801-974-4397NUMBER OF PAGES: 6**CONFIDENTIAL NOTICE**

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FROM: Keith

COMMENTS: Re-submitting of the sept. 15
Redd Engineering report for reclamation of the
Cactus Mill site plan for Clifton Mining Company.

If you have any trouble receiving this facsimile transmission or you do not receive the number of pages indicated above, please call us at (801) 234-1126 or (801) 756-1414.

REDD

September 15, 1997

Mr. Bob Holladay
Clifton Mining Company
70 West Canyon Road, Suite D
Alpine, Utah 84004

SUBJECT: Cactus Mill Site, Gold Hill, Utah
REDD #97017.3

RE: Reclamation Plan

Dear Mr. Holladay:

This letter is in response to your request to REDD for development of a Reclamation Plan for the Clifton Mining Cactus Mill, Utah site. Per your request, the Reclamation Plan (see attached Work Item Description) includes a description of the reclamation work to be performed at the Cactus Mill Site and estimated costs to perform the reclamation work.

The Reclamation Costs for the Cactus Mill Site are based on the following assumptions and limiting conditions:

1. The Reclamation Plan presented in this letter is based on the information given to Mr. Boyd Tangren by Clifton Mining over the telephone and in the Clifton Mining facsimile to Mr. Tangren dated August 25, 1997.
2. Item costs are based on current 1997 Labor, Equipment and Material Rates and acceptable construction methods. The entire labor force necessary to complete this project is assumed to be available in the vicinity of the Cactus Mill Site. Labor rates for laborers coming from other areas would be higher than those used in this estimate due to per diem and travel costs.
3. The Site Plan Drawing attached to this letter was provided by Clifton Mining and was used in estimating the reclamation costs.
4. REDD does not guarantee that its opinions concerning estimated reclamation costs presented in this letter will not differ materially from actual costs or negotiated prices or bids.

We estimate the cost for reclamation of the Cactus Mill Site to be seventeen thousand five hundred dollars (\$17,500) based upon the assumptions and limiting conditions described in this letter and based on the information contained in the attached Work Item Description.

J. R. Radd, Inc.
Engineering • Construction • Management
400 Wakara Way
Salt Lake City, Utah 84108
Telephone (801) 582-4900

Mr. Bob Holladay
September 15, 1997
Page Two

Please call should you have questions or need additional information.

Respectfully yours,

J. P. REDD, INC.

By


Boyd Tangren, P.E.

cc:

J. Michael Redd
Matt Miller
File

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J. P. Redd, Inc.
Engineering • Construction • Management
400 Wakara Way
Salt Lake City, Utah 84108
Telephone (801) 582-4800

Work Item Description

Item #1 Remove Existing Building

Remove the existing 50 foot wide by 100 foot long metal building. The structure will be torn down and removed from the site.

Estimated Cost: \$5,000

Item #2 Shape and Re-seed Tailings Pile

At the time of reclamation, it is estimated the tailings pile will occupy an area of 100,000 square feet (2.3 acres). The pile will have an average height of 12 feet, equaling an approximate volume of 1,200,000 cubic feet.

Based on past experience, the tailings will contain a high percentage of clay and soil that will support native vegetation. Therefore, it will not be necessary to import top soil for re-seeding. Re-seeding of the site will be accomplished using a grass mix and rate of application to be as recommended by the Bureau of Land Management.

Estimated Cost: \$2,000

Item #3 Bury Building Concrete

Bury the metal building concrete foundation. Slope and re-seed the metal building site.

Estimated Cost: \$1,500

Item #4 Remove Existing Office Trailer

Remove the office trailer and 6 foot by 6 foot concrete containment structure. The trailer is on wheels and will be removed from the site. The concrete containment structure will be demolished and buried. The site will then be sloped and re-seeded.

Estimated Cost: \$1,200

Item #5 Remove Ore Storage Bin

The ore storage bin consists of a three-sided concrete structure with four (4) foot walls on a 5 inch concrete slab. There is no foundation. The structure will be demolished, buried and the site re-seeded.

Estimated Cost: \$1,800

Item #6 Remove Structure

Remove the three-sided concrete structure that is 20 feet long by 20 feet wide with 8 foot walls. The structure will be demolished, buried and the site sloped and re-seeded.

Estimated Cost: \$1,500

Item #7 Water Pit

Fill, contour and re-seed the water pit area.

Estimated Cost: \$1,000

Item #8 Miscellaneous Cleanup

Remove scrap metal and debris. Remove miscellaneous fencing consisting of sections of a six foot high chain link fence and a three-strand barbed wire fence.

Estimated Cost: \$3,500

Total Estimated Reclamation Cost: \$17,500

UMC # 359376

Code Claim GHM-2

UMC # 359375

Code Claim GHM

1"=100'

